



# Wisconsin Medicaid Fact Sheet

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## Spousal Impoverishment

### **Spousal Impoverishment Protection**

"Spousal Impoverishment Protection" refers to special financial provisions in Medicaid law regarding income and assets that affect certain married couples receiving or applying for nursing home or community waiver services. Community waivers programs, such as the Community Options Program (COP Waiver), Family Care or Community Integration Programs (CIP), provide a home care alternative to a nursing home. These protections apply to persons who are elderly or have disabilities.

Medicaid pays for health care and long term care services for low-income people of all ages. Medicaid is a state and federally funded government program. To qualify for Medicaid, a person's income and assets must be below specified levels.

Spousal impoverishment protection affects legally married couples when one spouse is in a nursing home or participating in a community waiver program and the other spouse is not residing in a nursing home or other medical institution for 30 days or more. The person in the nursing home or the community waiver program is referred to as the "institutionalized spouse." The other spouse is the "community spouse."

### **ASSETS**

#### **Counting Assets**

There are special rules for counting assets and allocating the assets between the spouses. When you or your spouse first enter a medical institution, nursing home, or request a community waiver program, the county/tribal human or social services agency will, if requested, conduct an assessment of your total combined assets. The amount of your total combined assets at the time of institutionalization determines the amount of assets you may keep.

If you have assets of \$100,000 or less, you can keep \$50,000 for the community spouse and \$2,000 for the institutionalized spouse. If your assets are over \$100,000 you should contact your local county/tribal social or human services agency for help in determining the amount of assets you can keep. The community spouse share can be higher than the standard if a court or administrative hearing officer orders a higher amount.

#### **Assets Allocated Between the Spouses**

Once the couple's assets are at or below their asset limit, they have one year in which to assure the institutionalized spouse has no more than \$2,000 worth of assets in his/her name. During this time period, the institutionalized spouse usually transfers all but \$2,000 of his/her assets to the community spouse.

## **Countable Assets**

Examples of countable assets may include, but are not limited to:

- Cash
- Checking Accounts
- Savings Accounts
- Certificates of Deposit
- Life Insurance Policies

## **Assets Not Counted**

Medicaid does not count some assets. Those not counted include:

- Your home (as long as the community spouse or other dependent relative lives there).
- One vehicle.
- Burial assets (including insurance, trust funds, and plots).
- Household furnishings.
- Clothing and other personal items.

## **Reducing Assets to the Allowable Limit**

"Excess" assets (assets which are above the asset limit) can be reduced to allowable limits if they are used to pay for nursing home or home care costs, or for other things such as home repairs or improvements, vehicle repair or replacement, clothing or other household expenses. If excess assets are not reduced, the institutionalized spouse cannot become eligible for Medicaid.

## **INCOME**

### **Counting Income**

There are special rules for counting income and the amount of income that can be transferred from one spouse to another. Only the institutionalized person's income is counted in determining eligibility. The community spouse cannot be required to pay for the institutionalized spouse's care except when there is a court order to do so.

### **Transferring Income**

An institutionalized person who qualifies for Medicaid may be allowed to protect some of his/her income by transferring it to the community spouse, depending on the amount of income the community spouse has. The institutionalized person can also transfer income to other dependent family members. To find out the amount that can be transferred, contact your local county/tribal social or human services agency.

### **Income and Asset Limits**

The institutionalized spouse must meet the same income and asset tests as a single person applying for Medicaid in a nursing home or community waiver program. The assets directly available to the institutionalized spouse are limited to \$2,000. Except for a small personal needs allowance, the institutionalized spouse must either transfer his/her income to the community spouse or use it to pay for nursing home or home care. The spousal impoverishment protection applies only when one spouse is institutionalized and the other is not. If both of you are institutionalized, the single individual income and asset limits apply. The purpose of the spousal impoverishment protection is to prevent the community spouse from being impoverished by his or her spouse's institutionalization.

<b>Spousal Impoverishment Assets</b> (Total Amount)		
If the total countable assets of the couple are	THEN the Community Spouse Asset Share is:	Medicaid Eligibility Limit (CSAS + \$2,000)
\$199,080, or more	\$99,540	\$101,540
Less than \$ \$199,080 but greater than \$100,000	½ of the total countable assets of the couple	½ of the total countable assets of the couple + \$2,000
\$100,000 or less	\$50,000	\$52,000

<b>Spousal Impoverishment Income Allocation and Allowances</b> (Monthly Amounts)	
Community Spouse Allocation	<p>The maximum allocation is the <i>lesser</i> of \$2,488.50 or \$2,200.00 plus an excess shelter allowance.</p> <p><i>“Excess shelter allowance”</i> means shelter expenses above \$660.00. Shelter expenses are mortgage, rent, taxes, maintenance fees, and a utility allowance.</p> <p>\$660.00 is subtracted from the community spouse’s shelter costs. If there is a remainder, it is added to \$2,138.33.</p>
Dependent Family Member Allocation	\$550.00 per dependent family member living with the community spouse.
Personal Needs Allowance (effective 7/1/01)	\$45 for institutionalized non-veterans
Community Waivers Allowance	\$783 to \$1,809 for a person in Community Waivers

### For More Information:

- Contact an Elderly Benefit Specialist through the county aging commission or office of Independent Living Centers (for persons age 60 and above and their families);
- The Wisconsin Coalition of Independent Living Centers (for persons under age 60 and their families). To find the center in your area, call toll-free at (800) 690-6665 or (608) 251-9151 (V/TTY);
- Hospital and nursing home staff;
- Recipient Services at 1-800-362-3002 (TTY and translation services are available); or
- Your local county/tribal social or human services agency.

The Department of Health and Family Services is an equal opportunity employer and service provider. If you have a disability and need to access this information in an alternate format, or need it translated to another language, please contact (608) 266-3465 or (888) 701-1251 TTY. All translation services are free of charge. For civil rights questions call (608) 266-9372 or (888) 701-1251 TTY.